

# TCI gets Sebi nod to list demerged realty biz

Listing likely in 10 days; new company to undertake development of large-scale logistics infra projects

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NEW DELHI

Supply chain and logistics provider Transport Corp of India's executive director Vineet Agarwal said its newly formed real estate subsidiary, TCI Developers Ltd, got the Securities and Exchange Board of India's approval last week to list shares in the capital market.

"The company is in the process of listing," Agarwal told NewsWire18 in an interview. "Last week the approvals (from Sebi) were through. I am hopeful in the next 10 days or two weeks we should be listed."

The Andhra Pradesh High Court, in October, had allowed



Transport Corp of India (TCI) to demerge its real estate and warehousing operations.

The new company will undertake development of large-scale logistics infrastructure projects like multi-modal logistics parks, truck terminals,

and free trade warehousing zones etc.

"Over time, we are going to use the cash generated from that company for development of logistics infrastructure," he said.

The company is currently waiting for approval from equity market depository, the National Securities Depository Ltd.

"As part of the demerger process, once shares get allotted by the company, it has to go through the National Securities Depository Ltd. Shares then get deposited into shareholders' account and get frozen until necessary approvals comes," Agarwal said.

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## DNA Money

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## TCI gets Sebi nod

Transport Corp is set to achieve 15-20% growth in revenue and profits in 2010-11 (April-March), Agarwal said. "We will achieve the guidance for FY11 of 15-20% revenue and profit growth," he said.

In 2009-10, Transport Corp's revenues stood at ₹1,521 crore, while net profit was at ₹41.27 crore.

Freight business is the leading revenue earner for Transport Corp, accounting for about 46% of its earnings in October-December, followed by the XPS division at 26%.

Supply-chain solutions business was the third largest contributor to revenue with a share of 21%.

"Going forward, in the next 3-4 years, freight contribution, which is about 45-50%, will probably come down to about a third and the other businesses should contribute about a third each," he said.

Transport Corp is looking to open 2-3 new offices globally in the current financial year, Agarwal said.

"The process of adding new countries and operations will accelerate this year... Our focus for opening new offices would be in Asia as there is a lot of intra-trade between India and other Asian countries."

The company currently has 1,200 offices across the world. The company, however, will wait for "an opportune time" to raise ₹75 crore for new acquisitions.

"Earlier, we were trying to build a war-chest for acquisitions, but we didn't see anything happening on that front," he said.

"We had declared a few months ago that there

would be a fund raise of ₹75 crore, but then the market slowed down," he said.

Currently, the company has around ₹300-325 crore debt. The company, in 2010-11, is likely to have spent about ₹65-70 crore on expansion, he said.

From Infinite Logistics Solutions Pvt Ltd, its 51:49 joint venture with Container Corp of India Ltd which started operations earlier this year, the company expects revenues of ₹20-30 crore in the current financial year.

"Our joint venture company with Concor has started this year, so we see a lot of opportunity there, especially in providing multi-modal container movement," he said.

"Since it is a start-up, we are budgeting ₹20-30 crore revenues, and doubling it every year going forward."

Infinite Logistics Solutions is likely to invest up to ₹50 crore in the next three years to set up basic infrastructure. NewsWire18